

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

SENATE BILL NO. 2283
(Senators Cook, Laffen, Dotzenrod)
(Representatives Grueneich, Headland, Nathe)

AN ACT to create and enact a new section to chapter 57-01 of the North Dakota Century Code, relating to denial of tax incentives to taxpayers delinquent on the payment of state or local taxes; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-01 of the North Dakota Century Code is created and enacted as follows:

Tax incentives - State and local tax clearance.

1. A person may not claim a state or local tax incentive identified in section 54-35-26, unless the person has satisfied all state and local tax obligations and tax liens of record for taxes owed to the state or a political subdivision.
2. A person claiming a state tax incentive shall attach to the return or other filing schedule on which the tax incentive is claimed, a property tax clearance record from each county in which the person has a fifty percent or more ownership interest in the property.
3. A city or county may not grant a local tax incentive unless the person requesting the tax incentive is not delinquent on any property taxes and the person provides a state tax clearance record. A property tax clearance is required for property in which the person has a fifty percent or more ownership interest.
4. If a tax incentive applicant or claimant is a corporation or passthrough entity, any of the corporation's or passthrough entity's officers, governors, managing members, or partners charged with the responsibility for filing and paying property, income, income withholding, sales, or use tax are subject to the provisions of subsections 2 and 3.
5. If a person fails to comply with this section, the tax commissioner shall disallow that person's state tax exemption or credit claimed under any law authorizing the tax commissioner to audit and assess the additional tax due.

SECTION 2. EFFECTIVE DATE. This Act is effective for tax incentives claimed or granted after July 31, 2017.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2283.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 91 Nays 1 Absent 2

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State